

SECTION 16.30 BENEFITS UPON LAYOFF AND RECALL

Last Update: 8/11

A. Leave

1. Accrued vacation is paid out on the employee's final paycheck. The employee's previous adjusted employment date (date used for vacation accrual rate) is restored if the employee is reemployed within two years following layoff.
2. Accrued sick leave is not paid out. Following layoff, if the employee is reemployed to another State position within one year (UE/IUP, SPOC) or two years (non-contract, AFSCME), sick leave accrued before layoff is restored, unless the sick leave has been credited to a sick leave bank. (Note: Although former UE/IUP employees may be recalled for two years, accrued sick leave will only be restored if recalled or reemployed within one year.)
3. Any accumulated compensatory leave not taken will be paid out on the final paycheck.

B. Insurance

1. COBRA Health and Dental Benefits

An employee's health and dental plan will remain in effect until the end of the month in which the layoff occurs. If covered by a State sponsored health and/or dental plan prior to layoff, the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 provides continued group health and dental benefits coverage for 18 months after layoff. If the employee is disabled per the Social Security Administration at any time during the first 60 days of COBRA coverage, they may qualify to continue for up to 29 months. The employee may keep the same benefit plan as when employed. The employee is responsible for the full premium. The State's share of the premium ends at the end of the month in which the layoff occurs.

The Department of Administrative Services (DAS) will send a COBRA Notification/Election form to each employee laid off. The employee must return the form to the DAS Benefits Section no later than 60 calendar days following the date the coverage would otherwise end, or no later than 60 calendar days following receipt of the COBRA election forms, whichever is later.

At the end of the COBRA continued coverage period, individuals will be offered a conversion health plan by the carrier of their current health plan. The conversion plan is available regardless of health status at the time. There is no conversion plan for dental insurance. When the COBRA period is over, dental insurance will stop.

2. Health and Dental Insurance Upon Recall
 - a. If an employee is recalled the employee is eligible for reinstatement of health and dental coverage. Coverage will begin the first day of the month following the employee's return to work. The health and dental enrollment form or enrollment online via IowaBenefits, must be completed and submitted by the employee within 30 calendar days of the recall date.
 - b. Employees reemployed after expiration of their recall rights must be treated the same as a new hire for health and dental enrollment and eligibility requirements.

C. Life Insurance and Long Term Disability

Long Term Disability insurance terminates on the last day of the month in which an employee is laid off. There are no continuation provisions for LTD.

Group life insurance terminates at the end of the month in which the layoff occurs. There is, however, a 31 calendar day grace period following the date the life insurance terminates. During this period, employees may apply for coverage under the portability plan or convert to an individual whole life policy. The Personnel Assistant provides the Notice of Continuation of Coverage form at the time the layoff occurs.

The form must be submitted to the life insurance carrier within 31 days of the date coverage terminates, or 15 days after the date the Personnel Assistant signs the form, whichever is later. Any ported or converted coverage will become effective on the 32nd day following the termination of life insurance. The maximum amount of life insurance that may be continued is the amount in force when the layoff occurs. Ported and converted policies do not include accidental death and dismemberment and/or Long Term Disability (LTD) coverage.

1. Portability

Employees who are under Social Security Normal Retirement Age (SSNRA) can apply for coverage under the Portability Plan. Employees can choose to continue 50%, 75% or 100% of their life coverage through the portability provision. Portability is not available if the employee is at or above SSNRA, is under SSNRA **and** applying for long term disability benefits, is entering military service, or if the employee has converted their life insurance coverage to an individual plan. An employee can port a portion of their life insurance coverage, and convert the remainder. Coverage can only be ported one time; if re-employment occurs and ported coverage is dropped, it cannot be ported again.

2. Life Insurance Conversion

Any employee who is being laid off can convert their group term life insurance coverage to an individual whole life policy. This is the only option for continuation of life insurance for employees who are at or above Social Security Normal Retirement Age (SSNRA), or who are under age 60 and applying for long term disability benefits.

3. Accidental Death and Dismemberment

In addition to porting or converting life insurance coverage, employees can also convert AD&D coverage. AD&D Conversion Policy Information and Instructions can be found on the internet at <https://das.iowa.gov/human-resources/employee-and-retiree-benefits/employees/group-insurance/life-insurance/accidental>. The Personnel Assistant completes the employer section of the [AD&D Notice of Continuation of Coverage](#) and the employee is responsible for contacting Hartford and submitting any required information directly to them.

4. Reemployment

Employees recalled from layoff are eligible to enroll for the maximum amount of life insurance available for their class if the period of layoff was 30 days or more. For layoffs of less than 30 days, prior life insurance coverage will be reinstated. Coverage will begin the first of the month following the employee's return to work. To enroll for supplemental life insurance coverage, the employee must submit the enrollment card to the Personnel Assistant within 30 calendar days of the return. Basic life and LTD coverage will begin the first of the month following the employee's return.

Employees reemployed after expiration of their recall rights shall be treated the same as a new employee for life and LTD enrollment and eligibility.

D. Dependent Care Flexible Spending Account

You may continue to seek reimbursement for eligible expenses incurred through the date of your layoff. Your coverage in the dependent care flexible spending account ceases unless you meet certain eligibility requirements, such as are employed elsewhere or are actively seeking employment. If you are recalled within 30 days of your layoff date, you are automatically reinstated at the same annual election amount. If you are recalled more than 30 days after your layoff date, you are eligible to participate in the program and may elect a new amount for the remainder of the calendar year.

E. Health Care Flexible Spending Account

You may continue to seek reimbursement for eligible expenses incurred through the last day of the month in which your last payroll deduction is made. Otherwise, your coverage in the health care flexible spending account ceases unless you are eligible for and elect COBRA coverage, in which case you continue to make contributions (although on a post-tax basis) and can make claims for eligible expenses that arise during the period of COBRA coverage. If you are recalled within 30 days of your layoff date, you are automatically

reinstated at the same annual election amount. If you are recalled more than 30 days after your layoff date, you are eligible to participate in the program and may make elect a new amount for the remainder of the calendar year.

F. Deferred Compensation

Participants in the Retirement Investors' Club (RIC) (formerly known as the deferred compensation program) have many options when they terminate from State employment. You have the option to:

- Leave your money in RIC and continue to defer taxes (at age 70 ½ you must begin taking your required minimum distributions).
- Request total, partial, or systematic payments from your RIC account.
- Roll your RIC account over to an IRA, 401(k), 401(a), 457, 403(b), or 403(a).

If you are recalled, you are eligible to begin contributing to RIC again. If you have closed your account, you must open a new one. If you are receiving periodic payments, you may continue to receive them. You are not eligible to start distributions, however, after you return to work.

G. Unemployment Insurance

Employees who are laid off are entitled to unemployment benefits provided they meet the criteria of "available and able to work." The actual amount is based on the employee's salary and number of dependents.

H. Workers' Compensation

Employees who are receiving workers' compensation prior to a layoff will continue to receive this benefit until a medical release to return to work has been received from the physician. However, any employee who is using vacation or sick leave to supplement a workers' compensation benefit will no longer be able to supplement.

I. IPERS

1. Non-vested employees with less than 6 months of covered service at the time of layoff will receive a refund of their IPERS contributions plus earned interest.
2. A non-vested employee with less than four years of covered service may leave IPERS contributions in the system. A refund may be requested at any time. Interest will continue to accrue and account will be automatically distributed after 5 years of no service.
3. Prior to June 30, 2012, employees with four or more years of covered service (or who were working in IPERS covered employment at 55 years of age or older) are vested members of IPERS. After July 1, 2012, employees with seven or more years of covered service (or who are working in IPERS covered employment at 65 years of age or older) are vested members of IPERS. Vested members are allowed to leave their contributions in the system until they apply for retirement benefits, or a refund may be requested at any time. Contributions left in the system earn interest.

J. POR – Peace Officers' Retirement, Accident and Disability System

1. Non-vested members may elect to withdraw their contributions plus earned interest or to leave their contributions in the system. Should a member withdraw their contributions and later return to service no credit will be given for the period covered by the withdrawn contributions. A member who elects not to withdraw contributions who has not been recalled within 4 years ceases to be a member of the retirement system and should contact the Secretary of the Peace Officers Retirement Board to determine his or her options at that time.
2. Members with four or more years of credited service may elect to vest their retirement or to withdraw their contributions plus earned interest. Should a member withdraw his or her contributions and later return to service no credit will be given for the period covered by the withdrawn contributions.